

**Report of the
PUBLIC EMPLOYEE RETIREMENT
ADMINISTRATION COMMISSION
on the Examination of the
Lowell
Contributory Retirement System
For the Four Year Period
January 1, 1999 - December 31, 2002
PERAC 02: 09-49-20**

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April 20, 2004

The Public Employee Retirement Administration Commission has completed an examination of the **Lowell** Retirement System pursuant to G.L. c. 32, §. 21. The examination covered the period from January 1, **1999** to December 31, **2002**. This audit was conducted in accordance with the accounting and management standards established by the Public Employee Retirement Administration Commission in regulation 840 CMR 25.00. Additionally, all supplementary regulations approved by PERAC and on file at PERAC are listed in this report.

In our opinion, the financial records and management functions are being performed in conformity with the standards established by the Public Employee Retirement Administration Commission with the exception of those noted in the findings presented in this report.

In closing, I acknowledge the work of examiners Richard Ackerson and James Ryan who conducted this examination and express appreciation to the Board of Retirement and staff for their courtesy and cooperation.

Sincerely,

Joseph E. Connarton
Executive Director

Lowell Retirement System

EXPLANATION OF FINDINGS AND RECOMMENDATIONS

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

1. Cash Accounts

The Enterprise Bank and Trust account did not reconcile to the Lowell Retirement System general ledger 1041 balance at December 31, 2002 and August 31, 2003. The variances amounted to \$536.88 at December 31, 2002, and \$25,378.63 at August 31, 2003.

Recommendation:

The Lowell Retirement System determined the reason for the \$536.88 and \$25,378.63 variances during the audit and made appropriate adjusting journal entries. It is important that the monthly bank statement balances prepared by the Treasurer be reconciled to the general ledger by the Lowell Retirement System staff.

Board Response:

The Lowell Retirement System's staff reconciles the bank statement balances prepared by the Treasurer of the City of Lowell monthly. Due to "timing" differences and compliance with PERAC regulations, the required adjustments, necessary as of December 31, 2002 and August 31, 2003, were not made on a timely basis.

12/31/02	Retirement Balance	Treasurer Balance
Ledger Balance 12/31/02	\$ 8,262.08	\$ 7,725.20
12/30/02 deposit sent to Treasurer		
1/2/03 Deposited in Bank		+ 600.00
Interest credited by bank 12/31/02		
Retirement Board notified 1/23/03	+ 63.12	
Adjusted Balance	\$ 8,325.20	\$ 8,325.20
8/31/03	Retirement Balance	Treasurer Balance
Ledger Balance 8/31/03	\$278,796.96	\$253,418.33
Erroneous Deposit- Retirement notified of error in September 2003	- 27,275.00	
Void July warrant Retirement notified in September 2003	+ 2,340.49	
8/29/03 Deposit sent to Treasurer		
9/2/03 Deposited in Bank		+ 518.46
Interest credited by Bank 7/31/03		
Retirement Board notified 9/30/03	+ 30.95	
Interest credited by Bank 8/31/03		
Retirement notified 9/24/03	+ 43.39	
Adjusted Balance	\$253,936.79	\$253,936.79

This matter is currently under discussion with the Lowell Treasurer.

Lowell Retirement System

EXPLANATION OF FINDINGS AND RECOMMENDATIONS (CONTINUED)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

2. Certified List of Assets

The auditors were unable to balance the Certified List of Assets provided by Eastern Bank to the general ledger accounts or supporting investment schedules. The year-end Eastern Bank schedules did balance to the ledger.

Recommendation:

The Lowell Retirement System has changed custodians and now uses Investors Bank & Trust (IBT). This should not be an issue in the future.

3. Expenses Paid

The Lowell Retirement System pays a quarterly custodial fee to Enterprise Bank and Trust for maintaining the US Treasury Cash Reserve account. The December 31, 2002 balance in this account was \$7,493,909.16. Quarterly custodial fees paid for the year 2002 were \$25,825.06. The fee is based upon .24% of the average market value at the end of the quarter; however, the fee structure at their main custodial bank (i.e.; Eastern Bank) is substantially less. PERAC Auditors estimate that the Lowell Retirement System would save in excess of \$4,000 to \$8,000 per quarter by transferring these funds to the primary custodial bank.

Recommendation:

In order to reduce custodial management fee expenses, the Lowell Retirement System should consider transferring the US Treasury Cash Reserve account balance from Enterprise Bank and Trust to its primary custodial bank.

Board Response:

The Lowell Retirement has been in contact with Enterprise Bank regarding this issue.

4. Contribution Rates for Reserve Firefighters

Reserve Firefighters are not allowed to become members of the Lowell Retirement System. After they become a permanent firefighter they are allowed to join the retirement system and are given creditable service for the time they were on the reserve list up to a maximum of five years. However, the Board is erroneously using the date the individual went on the reserve list for determining their contribution rate.

Contribution rates must be based upon the date that a member enrolled in the retirement system. The legal basis for contribution rate requirements is McIntire v. CRAB, 417 Mass. 35 (1994) where the Supreme Judicial Court held that the date of enrollment in the retirement system determines a member's contribution rate. This is outlined in detail in PERAC MEMO #29/1997 dated August 26, 1997.

Lowell Retirement System

EXPLANATION OF FINDINGS AND RECOMMENDATIONS (CONTINUED)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

Recommendation:

The Board must review the membership files for all firefighters and make any required corrections to the contribution rates including the additional 2% contribution. They must then determine the amounts owed to the retirement Board and request repayment. They must also advise the members of their right to request a waiver under G.L. c. 32, §20(5)(c)(1), (2), and (3). The Board, only at the request of a member or beneficiary, may vote upon the waiver.

Board Response:

The staff of the Lowell Retirement Board is in the process of preparing a report to submit to the Board at the next meeting to be held on April 30, 2004.

5. Additional 2% Contribution

The additional 2% contribution was not being taken on the retirement Board members and Treasurer's \$3,000.00 stipend when applicable. G.L. c. 32, § 22 (1)(b½) requires all individuals who became members on or after 1/1/79 to contribute an additional 2% of all regular earnings over \$30,000.

Recommendation:

If possible, the payroll system should be changed to withhold the additional 2% on stipends where a Board member's total combined earnings exceed \$30,000. However, if the payroll system cannot handle this situation, a manual adjustment must be made at year-end.

Board Response:

The payroll Department will begin withholding the additional 2% deduction from the Board Member's stipend beginning with the check that will be issued on 4/30/04.

PERAC audit staff will follow-up in six (6) months to ensure appropriate actions have been taken regarding all findings.

Lowell Retirement System

STATEMENT OF LEDGER ASSETS AND LIABILITIES

FOR THE FOUR YEAR PERIOD BEGINNING JANUARY 1, 1999
AND ENDING DECEMBER 31, 2002

FOR THE PERIOD ENDING DECEMBER 31,				
ASSETS	2002	2001	2000	1999
Cash	\$4,772,087	\$7,948,878	\$8,136,902	\$5,035,699
Short Term Investments	0	0	9,950,000	4,750,000
Fixed Income Securities (at book value)	47,181,480	43,266,924	29,747,603	28,253,829
Equities	44,670,169	80,292,440	105,648,489	114,156,164
Pooled Short Term Funds	7,493,909	14,081,007	3,646,395	3,205,164
Pooled Domestic Equity Funds	21,602,352	0	0	0
Pooled International Equity Funds	6,983,832	8,404,422	10,286,355	11,235,927
Pooled Global Equity Funds	0	0	0	0
Pooled Domestic Fixed Income Funds	0	0	0	0
Pooled International Fixed Income Funds	0	0	0	0
Pooled Global Fixed Income Funds	8,755,351	6,822,593	6,627,926	5,995,238
Pooled Alternative Investment Funds	6,319,611	7,517,899	14,017,885	13,733,288
Pooled Real Estate Funds	6,205,599	6,355,219	4,781,594	6,087,707
Pooled Domestic Balanced Funds	0	0	0	0
Pooled International Balanced Funds	0	0	0	0
PRIT Cash Fund	0	0	0	0
PRIT Core Fund	0	0	0	0
Interest Due and Accrued	859,839	920,183	726,913	591,630
Accounts Receivable	6,604,485	7,557,588	9,816,978	7,852,689
Accounts Payable	(483,253)	(253,595)	(4,249,823)	(177,674)
TOTAL	<u>\$160,965,462</u>	<u>\$182,913,557</u>	<u>\$199,137,217</u>	<u>\$200,719,661</u>
FUND BALANCES				
Annuity Savings Fund	\$59,279,973	\$55,837,877	\$51,447,666	\$48,169,580
Annuity Reserve Fund	16,510,488	15,368,228	14,581,643	13,702,403
Pension Fund	15,727,115	18,804,335	21,820,290	23,586,092
Military Service Fund	3,869	6,829	6,702	6,564
Expense Fund	0	0	0	0
Pension Reserve Fund	69,444,017	92,896,288	111,280,916	115,252,022
TOTAL	<u>\$160,965,462</u>	<u>\$182,913,557</u>	<u>\$199,137,217</u>	<u>\$200,716,661</u>

Lowell Retirement System

STATEMENT OF CHANGES IN FUND BALANCES

**FOR THE FOUR YEAR PERIOD BEGINNING JANUARY 1, 1999
AND ENDING DECEMBER 31, 2002**

	Annuity Savings Fund	Annuity Reserve Fund	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total All Funds
Beginning Balance (1999)	\$43,705,818	\$13,574,218	\$24,860,594	\$6,423	\$0	\$75,555,348	\$157,702,400
Receipts	6,572,430	393,457	14,014,246	141	1,398,364	39,696,674	62,075,312
Interfund Transfers	(1,481,007)	1,482,154	(1,148)	0	0	0	0
Disbursements	(627,661)	(1,747,427)	(15,287,600)	0	(1,398,364)	0	(19,061,051)
Ending Balance (1999)	48,169,580	13,702,403	23,586,092	6,564	0	115,252,022	200,716,661
Receipts	6,736,710	419,902	14,200,848	138	1,754,362	(3,963,681)	19,148,278
Interfund Transfers	(2,319,487)	2,326,912	0	0	0	(7,425)	0
Disbursements	(1,139,137)	(1,867,573)	(15,966,650)	0	(1,754,362)	0	(20,727,722)
Ending Balance (2000)	51,447,666	14,581,643	21,820,290	6,702	0	111,280,916	199,137,218
Receipts	7,330,606	441,641	13,840,398	127	1,938,727	(18,384,628)	5,166,872
Interfund Transfers	(2,265,958)	2,265,958	0	0	0	0	0
Disbursements	(674,436)	(1,921,015)	(16,856,353)	0	(1,938,727)	0	(21,390,532)
Ending Balance (2001)	55,837,877	15,368,228	18,804,335	6,829	0	92,896,288	182,913,558
Receipts	7,173,539	472,819	14,546,840	53	1,721,207	(23,452,607)	461,851
Interfund Transfers	(2,789,498)	2,789,163	0	0	0	336	(0)
Disbursements	(941,944)	(2,119,722)	(17,624,059)	(3,014)	(1,721,207)	0	(22,409,946)
Ending Balance (2002)	<u>\$59,279,973</u>	<u>\$16,510,488</u>	<u>\$15,727,115</u>	<u>\$3,869</u>	<u>\$0</u>	<u>\$69,444,017</u>	<u>\$160,965,462</u>

Lowell Retirement System

STATEMENT OF INCOME

**FOR THE FOUR YEAR PERIOD BEGINNING JANUARY 1, 1999
AND ENDING DECEMBER 31, 2002**

	FOR THE PERIOD ENDING DECEMBER 31,			
	2002	2001	2000	1999
Annuity Savings Fund:				
Members Deductions	\$6,130,818	\$5,781,655	\$5,396,409	\$5,125,441
Transfers from other Systems	81,448	284,225	143,353	296,483
Member Make Up Payments and Redeposits	209,884	319,363	227,481	211,650
Investment Income Credited to Member Accounts	<u>751,388</u>	<u>945,363</u>	<u>969,466</u>	<u>938,856</u>
Sub Total	<u>7,173,539</u>	<u>7,330,606</u>	<u>6,736,710</u>	<u>6,572,430</u>
Annuity Reserve Fund:				
Investment Income Credited Annuity Reserve Fund	<u>472,819</u>	<u>441,641</u>	<u>419,902</u>	<u>393,457</u>
Pension Fund:				
3 (8) (c) Reimbursements from Other Systems	267,681	239,911	208,877	276,448
Received from Commonwealth for COLA and Survivor Benefits	1,904,303	634,910	1,256,102	1,613,186
Pension Fund Appropriation	<u>12,374,856</u>	<u>12,965,578</u>	<u>12,735,869</u>	<u>12,124,612</u>
Sub Total	<u>14,546,840</u>	<u>13,840,398</u>	<u>14,200,848</u>	<u>14,014,246</u>
Military Service Fund:				
Contribution Received from Municipality on Account of Military Service	0	0	0	0
Investment Income Credited Military Service Fund	<u>53</u>	<u>127</u>	<u>138</u>	<u>141</u>
Sub Total	<u>53</u>	<u>127</u>	<u>138</u>	<u>141</u>
Expense Fund:				
Expense Fund Appropriation	265,583	315,000	300,000	265,000
Investment Income Credited to Expense Fund	<u>1,455,624</u>	<u>1,623,727</u>	<u>1,454,362</u>	<u>1,133,364</u>
Sub Total	<u>1,721,207</u>	<u>1,938,727</u>	<u>1,754,362</u>	<u>1,398,364</u>
Pension Reserve Fund:				
Federal Grant Reimbursement	282,732	143,501	123,707	169,663
Pension Reserve Appropriation	0	0	0	0
Interest Not Refunded	14,538	11,389	10,710	7,102
Excess Investment Income	<u>(23,749,877)</u>	<u>(18,539,518)</u>	<u>(4,098,097)</u>	<u>39,519,909</u>
Sub Total	<u>(23,452,607)</u>	<u>(18,384,628)</u>	<u>(3,963,681)</u>	<u>39,696,674</u>
TOTAL RECEIPTS	<u>\$461,851</u>	<u>\$5,166,872</u>	<u>\$19,148,278</u>	<u>\$62,075,312</u>

Lowell Retirement System

STATEMENT OF DISBURSEMENTS

**FOR THE FOUR YEAR PERIOD BEGINNING JANUARY 1, 1999
AND ENDING DECEMBER 31, 2002**

FOR THE PERIOD ENDING DECEMBER 31,				
	2002	2001	2000	1999
Annuity Savings Fund:				
Refunds to Members	\$492,138	\$535,293	\$653,247	\$361,606
Transfers to other Systems	<u>449,806</u>	<u>139,143</u>	<u>485,890</u>	<u>266,054</u>
Sub Total	<u>941,944</u>	<u>674,436</u>	<u>1,139,137</u>	<u>627,661</u>
Annuity Reserve Fund:				
Annuities Paid	2,040,306	1,884,710	1,785,551	1,692,106
Option B Refunds	<u>79,416</u>	<u>36,305</u>	<u>82,023</u>	<u>55,321</u>
Sub Total	<u>2,119,722</u>	<u>1,921,015</u>	<u>1,867,573</u>	<u>1,747,427</u>
Pension Fund:				
Pensions Paid				
Regular Pension Payments	9,558,502	8,999,106	8,576,651	8,233,670
Survivorship Payments	1,303,560	1,258,431	1,229,233	1,107,143
Ordinary Disability Payments	312,850	302,302	291,733	280,430
Accidental Disability Payments	4,591,751	4,548,124	4,105,347	3,925,590
Accidental Death Payments	1,243,480	1,208,165	1,228,187	1,234,440
Section 101 Benefits	322,927	267,437	260,795	247,594
3 (8) (c) Reimbursements to Other Systems	290,989	272,788	274,703	258,733
State Reimbursable COLA's Paid	0	0	0	0
Chapter 389 Beneficiary Increase Paid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub Total	<u>17,624,059</u>	<u>16,856,353</u>	<u>15,966,650</u>	<u>15,287,600</u>
Military Service Fund:				
Return to Municipality for Members Who				
Withdrew Their Funds	<u>3,014</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expense Fund:				
Board Member Stipend	12,310	12,683	13,500	14,750
Salaries	146,127	136,727	114,604	110,721
Legal Expenses	104,632	96,822	74,766	95,099
Medical Expenses	0	0	135	44
Travel Expenses	9,387	9,993	19,485	13,387
Administrative Expenses	87,130	45,746	29,862	19,524
Furniture and Equipment	1,092	7,824	8,529	14,661
Management Fees	1,193,790	1,417,608	1,285,287	910,798
Custodial Fees	46,737	87,575	123,047	98,884
Consultant Fees	<u>120,000</u>	<u>123,750</u>	<u>85,146</u>	<u>120,494</u>
Sub Total	<u>1,721,207</u>	<u>1,938,727</u>	<u>1,754,362</u>	<u>1,398,364</u>
TOTAL DISBURSEMENTS	<u>\$22,409,946</u>	<u>\$21,390,532</u>	<u>\$20,727,722</u>	<u>\$19,061,051</u>

Lowell Retirement System

INVESTMENT INCOME

**FOR THE FOUR YEAR PERIOD BEGINNING JANUARY 1, 1999
AND ENDING DECEMBER 31, 2002**

	FOR THE PERIOD ENDING DECEMBER 31,			
	2002	2001	2000	1999
Investment Income Received From:				
Cash	10,493	6,491	\$699,841	\$196,408
Short Term Investments	165,529	988,073	366,628	511,774
Fixed Income	3,077,073	2,599,146	2,076,428	1,638,158
Equities	1,037,104	910,358	1,010,279	927,569
Pooled or Mutual Funds	1,484,844	875,523	679,489	2,795,090
Commission Recapture	<u>36,286</u>	<u>25,568</u>	<u>4,283</u>	<u>0</u>
TOTAL INVESTMENT INCOME	<u>5,811,330</u>	<u>5,405,159</u>	<u>4,836,947</u>	<u>6,068,999</u>
Plus:				
Increase in Amortization of Fixed Income Securities	0	0	0	703,443
Realized Gains	3,701,368	9,520,759	30,839,696	16,251,010
Unrealized Gains	9,071,034	10,940,658	3,075,374	43,061,299
Interest Due and Accrued on Fixed Income Securities - Current Year	<u>859,839</u>	<u>920,183</u>	<u>726,913</u>	<u>591,630</u>
Sub Total	<u>13,632,241</u>	<u>21,381,600</u>	<u>34,641,984</u>	<u>60,607,382</u>
Less:				
Decrease in Amortization of Fixed Income Securities	0	0	0	(1,021,779)
Paid Accrued Interest on Fixed Income Securities	(220,746)	(301,418)	(192,469)	(181,429)
Realized Loss	(24,921,492)	(17,162,133)	(20,547,666)	(12,810,561)
Unrealized Loss	(14,451,143)	(24,124,955)	(19,401,394)	(10,237,188)
Interest Due and Accrued on Fixed Income Securities - Prior Year	<u>(920,183)</u>	<u>(726,913)</u>	<u>(591,630)</u>	<u>(439,697)</u>
Sub Total	<u>(40,513,564)</u>	<u>(42,315,420)</u>	<u>(40,733,160)</u>	<u>(24,690,654)</u>
NET INVESTMENT INCOME	<u>(21,069,993)</u>	<u>(15,528,660)</u>	<u>(1,254,230)</u>	<u>41,985,727</u>
Income Required:				
Annuity Savings Fund	751,388	945,363	969,466	938,856
Annuity Reserve Fund	472,819	441,641	419,902	393,457
Military Service Fund	53	127	138	141
Expense Fund	<u>1,455,624</u>	<u>1,623,727</u>	<u>1,454,362</u>	<u>1,133,364</u>
TOTAL INCOME REQUIRED	<u>2,679,883</u>	<u>3,010,859</u>	<u>2,843,867</u>	<u>2,465,818</u>
Net Investment Income	<u>(21,069,993)</u>	<u>(15,528,660)</u>	<u>(1,254,230)</u>	<u>41,985,727</u>
Less: Total Income Required	<u>2,679,883</u>	<u>3,010,859</u>	<u>2,843,867</u>	<u>2,465,818</u>
EXCESS INCOME TO THE PENSION RESERVE FUND	<u>(\$23,749,877)</u>	<u>(\$18,539,518)</u>	<u>(\$4,098,097)</u>	<u>\$39,519,909</u>

Lowell Retirement System

STATEMENT OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

	BOOK VALUE*	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS	PERCENTAGE ALLOWED*
Cash		\$4,772,087	3.10%	100
Short Term		0	0.00%	100
Fixed Income		47,181,480	30.64%	40 - 80
Equities		44,670,169	29.01%	50
Pooled Short Term Funds		7,493,909	4.87%	
Pooled Domestic Equity Funds		21,602,352	14.03%	50
Pooled International Equity Funds		6,983,832	4.54%	10
Pooled Global Equity Funds		0	0.00%	
Pooled Domestic Fixed Income Funds		0	0.00%	
Pooled International Fixed Income Funds		0	0.00%	
Pooled Global Fixed Income Funds		8,755,351	5.69%	
Pooled Alternative Investment Funds		6,319,611	4.10%	
Pooled Real Estate Funds		6,205,599	4.03%	20
Pooled Domestic Balanced Funds		0	0.00%	
Pooled International Balanced Funds		0	0.00%	
PRIT Cash Fund		0	0.00%	
PRIT Core Fund		0	0.00%	100
GRAND TOTALS	\$0	<u>\$153,984,391</u>	<u>100.00%</u>	

* The book value differs from the market value for individually owned Fixed Income Securities which are valued at amortized cost which is the original cost of the investment plus or minus any bond discount or bond premium calculated ratably to maturity. All other investments are reflected at their quoted market value.

For the year ending December 31, **2002**, the rate of return for the investments of the **Lowell** Retirement System was -11.77%. For the five-year period ending December 31, **2002**, the rate of return for the investments of the **Lowell** Retirement System averaged 4.24%. For the 18-year period ending December 31, **2002**, since PERAC began evaluating the returns of the retirement systems, the rate of return of the investments of the **Lowell** Retirement System was 9.99%.

Lowell Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

The **Lowell** Retirement System submitted the following supplementary investment regulations, which were approved by PERAC on :

August 6, 1989

(1) Real estate investments shall not exceed 2.8% of the total book value of the portfolio at the time of purchase and shall consist of real estate trusts and limited partnerships, provided that:

(a) Trust participants or limited partners do not participate in the selection of trustees or general partners and should a limited partner be required to participate in the selection of a General partner, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action, and

(b) Such trustees or general partners retain authority in the decision making process, and

(c) Should an investment in a trust or limited partnership result in the direct ownership of real estate or mortgage indebtedness, such shall be permitted only until such time as divestiture of said trust or limited partnership is prudent.

September 21, 1989

20.06(8) Sales of fixed income investments with maturities exceeding one year shall not exceed 100% of the market value of all fixed income obligations in any twelve month period, excluding cash and short term obligations; provided further that sales of fixed income investments in the portfolio managed by Consistent Asset Management may not exceed 400% of the market value of all fixed income obligations in this portion of the portfolio in any twelve month period.

February 8, 1990

(1) Real estate investments shall not total more than 10% of the total book value of the portfolio at the time of purchase and shall consist of real estate trusts and partnerships, provided that:

(a) Trust participants or limited partners do not participate in the selection of trustees or general partners and should a trust participant or limited partner be required to participate in the selection of a trustee or general partner, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action, and

(b) Such trustees or general partners retain authority in the decision making process, and

(c) Should an investment in a trust or limited partnership result in the direct ownership of real estate or mortgage indebtedness, such shall be permitted only until such time as divestiture of said trust or limited partnership is prudent.

December 19, 1990

20.06(2) Bonds shall have a minimum quality rating of Baa or equivalent as rated by one or more recognized bond rating services, excluding Public Service Company of NH 9.125% due 10/15/06, Bank of New England 8.75% due 4/1/99, Inland Steel Company 9.5% due 9/1/00, and Mississippi Power and Light 7.75% due 5/1/02.

Lowell Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS (CONTINUED)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

- 20.06(4) Fixed income holdings which are downgraded by one or more recognized rating services to below a Baa or equivalent rating must be sold within a reasonable period of time not to exceed one year, excluding Public Service Company of NH 9.125% due 10/15/06, Bank of New England 8.75% due 4/1/99, Inland Steel Company 9.5% due 9/1/00, and Mississippi Power and Light 7.75% due 5/1/02 which may be held at the discretion of the board's qualified investment manager.
- May 2, 1991
- 20.09(1) Venture capital investments shall not exceed 3% of the total market value of the portfolio at the time of the investment provided that in any system with assets in excess of nineteen million dollars, venture capital investments may be made up to an amount equal to five percent of the total market value of the portfolio at the time of investment, shall be considered a separate asset class, and provided further that in the limited partnership investments:
- (a) the board as a limited partner does not participate in the selection of the general partner(s) or otherwise exercise discretion in the affairs of the partnership and should this be required, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action, and
 - (b) such general partner(s) retains authority in the decision making process, and
 - (c) Should an investment in a limited partnership result in the direct ownership of securities, such shall be permitted only until such time as divestiture is prudent.
- 20.09(3) All venture capital investments shall be made in companies, which have their principal places of business in the United States.
- August 6, 1991
- 16.02(4) The board may charge custodian bank expenses against earned income from investments in an amount not to exceed .08% of the market value of the assets of the system on an annual basis.
- January 14, 1992
- 20.07(9) Commingled real estate shall not exceed 10% of the total book value of the portfolio at the time of purchase provided that:
- (a) the retirement board does not participate in the selection of personnel responsible for making real estate investments and should this be required, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action;
 - (b) such personnel retain authority in the decision making process; and
 - (c) Should an investment in real estate result in the direct ownership of real estate or mortgage indebtedness, such shall be permitted only until such time as divestiture is prudent?

Lowell Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS (CONTINUED)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

February 19, 1992

- 20.09(1) Venture capital investments shall not exceed 3% of the total market value of the portfolio at the time of the investment provided that in any system with assets in excess of nineteen million dollars, venture capital investments may be made up to an amount equal to 5% of the total market value of the portfolio at the time of investment, shall be considered a separate asset class, and provided further that:
- (a) the board does not participate in the selection of the personnel responsible for making venture capital investments or otherwise exercise discretion in business affairs and should this be required, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action;
 - (b) such personnel retain authority in the decision making process; and
 - (c) Should an investment in venture capital result in the direct ownership of securities, such shall be permitted only until such time as divestiture is prudent.
- 20.09(3) All venture capital investments shall be made in companies, which have their principal places of business in the United States.

August 5, 1993

- 20.03(1) (a) Domestic equities shall not exceed 40% of the total book value of the portfolio at the time of purchase.
(b) International equities shall not exceed 5% of the total book value of the portfolio at the time of purchase.
- 20.04(1) United States based corporations and equities of foreign corporations.
- 20.07(5) Equity investments shall be made only in securities listed on a United States stock exchange, traded over the counter in the United States, or listed and traded on a foreign exchange.

July 28, 1994

- 20.03(1) (a) Domestic equities shall not exceed 40% of the total book value of the portfolio at the time of purchase.
(b) International equities shall not exceed 10% of the total book value of the portfolio at the time of purchase.
- 20.03(2) At least 40% but no more than 80% of the total portfolio valued at market shall consist of fixed income investments with a maturity of more than one year including international fixed income investments which shall be limited to 5% of the total fixed income portfolio.

Lowell Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS (CONTINUED)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

December 15, 1994

- 20.09(1) Venture capital investments shall not exceed 3% of the total market value of the portfolio at the time of the investment provided that in any system with assets in excess of nineteen million dollars, venture capital investments may be made up to an amount equal to 5% of the total market value of the portfolio at the time of investment, shall be considered a separate asset class, and provided further that:
- (a) the board does not participate in the selection of the personnel responsible for making venture capital investments or otherwise exercise discretion in business affairs and should this be required, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action;
 - (b) such personnel retain authority in the decision making process, and
 - (c) Should an investment in venture capital result in the direct ownership of securities, such shall be permitted only until such time as divestiture is prudent?
- 20.09(2) Venture capital investments shall only be made in venture capital funds operated by venture capital firms having their principal places of business in the United States.
- 20.09(3) All venture capital investment shall be made in companies, which have their principal places of business in the United States.
- 20.06(8) Purchases and sales of fixed income investments with maturities exceeding one year shall not exceed 200% of the market value of all fixed income obligations in any twelve-month period, excluding cash and short-term obligations for calendar years 1994 and 1995.
- 20.07(6) Purchases and sales of equity investments shall not exceed 300% of the average market value of all equity holdings in any twelve-month period for calendar years 1994 and 1995.
- 20.07(6) Purchases and sales of equity investments shall not exceed 100% of the average market value of all equity holdings in any twelve-month period commencing calendar year 1996.

August 10, 1995

- 20.03(1) (a) Domestic equities shall not exceed 55% of the total book value of the portfolio at the time of purchase.
- (b) International equities shall not exceed 10% of the total book value of the portfolio at the time of purchase.

January 25, 1996

- 20.07(1) The issuer of equity securities must have a publicly available operating record of at least five years, including past performance resulting from mergers, acquisitions, and spin-offs. Equity securities, however, may be purchased at the time of an Initial Public Offering (IPO) provided that the total value of investments with a publicly available operating record of less than five years shall not exceed 5% of the total equity market value.

Lowell Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS (CONTINUED)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

- 20.07(6) Purchases and sales of equity investments shall not exceed 100% of the average market value of all equity holdings in any twelve-month period.

June 20, 1996

(3) Futures Contracts other than as follows:

(a) Currency Futures, Calls and Forward Contracts may be written against securities in the international portfolio by an investment advisor registered under the Investment Advisors Act of 1940 and who has been granted a waiver from PERAC for international investments.

(b) Currency Futures, Calls and Forward Contracts may be written against securities in the international portfolio to a maximum of fifty percent (50%) of the international portfolio's non-dollar holdings at market value. Speculative currency positions unrelated to underlying portfolio holdings are strictly prohibited.

August 15, 1996

- 20.07(9) Commingled real estate shall not exceed 20% of the total book value of the portfolio at the time of purchase provided that:
- (a) the retirement board does not participate in the selection of personnel responsible for making real estate investments and should this be required, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action;
 - (b) such personnel retain authority in the decision making process, and
 - (c) Should an investment in real estate result in the direct ownership of real estate or mortgage indebtedness, such shall be permitted only until such time of divestiture is prudent.

March 13, 1997

- 20.03(2) At least 6% but no more than 80% of the total portfolio valued at market shall Consist of fixed income investments with a maturity of more than one year.

Lowell Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS (CONTINUED)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

May 7,1997

- 20.09(1) Venture capital investments shall not exceed 3% of the total market value of the portfolio at the time of the investment provided that in any system with Assets in excess of nineteen million dollars, venture capital investments may be made up to an amount equal to 5% of the total market value of the portfolio at the time of investment, shall be considered a separate asset class, and provided further that:
- (a) the board does not participate in the selection of the personnel responsible for making venture capital investments or otherwise exercise discretion in business affairs and should this be required, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action;
 - (b) such personnel retain authority in the decision making process, and
 - (c) should an investment in venture capital result in the direct ownership of securities, such shall be permitted only until such time as divestiture is prudent.
- 20.09(2) Venture capital investments shall only be made in venture capital funds Operated by venture capital firms having their principal places of business in The United States.
- 20.09(3) All venture capital investment shall be made in companies which have their Principal places of business in the United States.

August 19,1997

- 20.07(9) Commingled real estate shall not exceed 10% of the total book value of the portfolio at the time of purchase provided that:
- (a) the retirement board does not participate in the selection of personnel responsible for making real estate investments and should this be required, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action;
 - (b) such personnel retain authority in the decision making process, and
 - (c) Should an investment in real estate result in the direct ownership of real estate or mortgage indebtedness, such shall be permitted only until such time of divestiture is prudent.

Lowell Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS (CONTINUED)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

June 24, 1998

- 20.09(1) Venture capital investments shall not exceed 3% of the total market value of the portfolio at the time of the investment provided that in any system with assets in excess of nineteen million dollars, venture capital investments may be made up to an amount equal to 5% of the total market value of the portfolio at the time of investment, shall be considered a separate asset class, and provided further that:
- (a) the board does not participate in the selection of the personnel responsible for making venture capital investments or otherwise exercise discretion in business affairs and should this be required, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action;
 - (b) such personnel retain authority in the decision making process, and
 - (c) should an investment in venture capital result in the direct ownership of securities, such shall be permitted only until such time as divestiture is prudent.
- 20.09(2) Venture capital investments shall only be made in venture capital funds
Operated by venture capital firms having their principal places of business in The United States.
- 20.09(3) All venture capital investment shall be made in companies which have their principal places of business in the United States.

October 30, 1998

- 19.01(7) (a)(6) the range of fees that are considered tolerable, provided, however, that in no event shall a Board retain a qualified investment manager whose fee is based on a percentage of committed capital, provided, however, that such a fee may be paid for one year after the partnership commences operations, and provided further, that such a fee is paid by all investors;
- (6a) the board, however, may retain Charles River Partnership IX and pay compensation according to the fee schedule submitted to PERAC provided that such a fee is paid by all investors.

October 6, 1999

- 16.08 In accordance with PERAC Investment Guideline 99-3, the Lowell Retirement Board may invest in Ascent Venture Partners III, L.P. The system is an investor in Ascent Venture Partners II, L.P. and has submitted the required documentation to justify investing in Ascent Venture Partners.

Lowell Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS (CONTINUED)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

February 10, 2000

- 16.08 In accordance with PERAC Investment Guideline 99-3, the Lowell Retirement System may invest in Boston Millennia Partners II, L.P. The system has previously invested in Boston Millennia Partners I and has indicated that performance to date has been very favorable. All required supporting documents have been submitted.

December 19, 2000

- 16.08 In accordance with PERAC Investment Guideline 99-3, the Lowell Retirement Board may invest in Charles River Partnership XI. The System has had a very satisfactory relationship with Charles River Ventures in its five immediately preceding partnerships.

June 28, 2001

- 16.08 In accordance with PERAC Investment Guideline 99-2, the Lowell Retirement System may modify its investment mandate with Cutler & Company, its large cap value equity manager. The System wants to achieve exposure to mid cap as well as large cap value equity but does not intend to seek a separate account for this sub class. It will modify its existing mandate to allow Cutler & Company to opportunistically add mid cap value equities to its portfolio in a proportion that will usually not exceed 25%. The System has had a satisfactory relationship with Cutler & Company for almost five years and they and their consultant are comfortable with the firm's capabilities in mid caps.

September 3, 2002

- 16.08 The Lowell Retirement Board is authorized to withdraw the funds currently held in its large cap value mandate with Cutler & Company and temporarily place the proceeds in State Street Global Advisors' Russell 1000 Value Index pending the selection of a permanent replacement manager. This temporary authorization extends through December 31, 2002.

Lowell Retirement System

NOTES TO FINANCIAL STATEMENTS

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

NOTE 1 - THE SYSTEM

The plan is a contributory defined benefit plan covering all **Lowell** Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The Teachers' Retirement Board administers the pensions of such school employees.

Instituted in 1937, the System is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the plan is mandatory immediately upon the commencement of employment for all permanent, full-time employees.

The system provides for retirement allowance benefits up to a maximum of 80% of a member's highest three year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions, normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension. The average retirement benefit is approximately 75 - 85% pension and 15 - 25% annuity.

Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Members joining the retirement system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. These deductions are deposited in the Annuity Savings Fund and earn interest at a rate determined by the Executive Director of PERAC according to statute. When a member's retirement becomes effective, his/her deductions and related interest are transferred to the Annuity Reserve Fund. Any cost-of-living adjustment granted between 1981 and 1997 and any increase in other benefits imposed by state law during that period are borne by the state.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current year pension payments as indicated on the most recent funding schedule as approved by PERAC's Actuary. Until recently, retirement systems were paying only the actual retirement

Lowell Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

benefits that were due each year. Systems had no statutory authorization to put aside any money for the future benefits of employees who are now working. Large unfunded liabilities resulted from operating upon this pay-as-you-go basis. In 1977, legislation authorized local governments to appropriate funds to meet future pension obligations.

In 1983, additional legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. These initiatives have significantly reduced the rate of growth of the retirement systems' unfunded liabilities, and in some systems have actually eliminated such liability.

Administrative expenses are funded through investment income of the system.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors including: whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veteran's status, and group classification.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive either zero (0%) percent, fifty (50%) percent, or one hundred (100%) percent of the regular interest which has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Executive Director of Public Employee Retirement Administration Commission.

The Annuity Savings Fund is the fund in which members' contributions are deposited. Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Voluntary contributions, redeposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

Lowell Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is credited to this Reserve account.

The Investment Income Account is credited with all income derived from interest and dividends of invested funds. At year-end the interest credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

The **Lowell** Retirement System submitted the following supplementary membership regulations, which were approved by PERAC on:

December 27, 1984

Creditable Service:

Temporary employees who work not less than seven months in a calendar year given a full year's credit, otherwise credited only with actual time worked.

Public Records:

As of April 27, 1977, medical records and financial statements pertaining to members and retirees of the Retirement System are not public records.

Lowell Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

Creditable Service:

Full year creditable service for each school year employed for regularly employed full time school cafeteria employees (35 hours per week) subject to review at time of retirement.

If a cafeteria employee transfers to another position, the time employed as a cafeteria worker shall be credited on a 42-week formula for each school year employed. The creditable service for permanent part-time cafeteria employees shall be computed on the actual time worked.

Membership:

Special education aides who are regularly employed in the school department must become members of the retirement system. Applications for membership for each special education aide are to be forwarded to the school department.

Creditable Service:

Full year creditable service for each school year employed for regularly employed full time special education aides (35 hours per week) subject to review at time of retirement. If a special education aide transfers to another position, the time employed as a special education aide shall be credited on a 42-week formula for each school year employed.

Vouchers:

The signature of at least one member of the Board and the Executive Secretary or the signature of at least two members of the Board without the Executive Secretary shall constitute the approval of the Board on such vouchers as may be required by the Treasurer Custodian for proper payments by him.

August 31, 1987

Creditable Service:

To grant a full year of creditable service for each school year employed for permanent full-time School Library Aides (35 hours per week) subject to review at time of retirement.

To grant six (6) months creditable service to provisional or permanent employees who work twenty (20) hours per week for one full year.

April 24, 1989

Election Rules In the event of a recount in the election of the member-representative of the Board, the Board must receive a written request for a recount, within five (5) working days after the date of notification to the candidates.

May 21, 1991

Regular Compensation

Clothing or uniform allowances included in regular compensation under certain conditions.

Lowell Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

NOTE 4 - ADMINISTRATION OF THE SYSTEM

The System is administered by a five person Board of Retirement consisting of the City Auditor who shall be a member ex officio, a second member appointed by the governing authority, a third and fourth member who shall be elected by the members in or retired from the service of such system, and a fifth member appointed by the other four board members.

Ex officio Member: Walter Fernandez

Appointed Member: James T. Kennedy Term Expires: Indefinite

Elected Member: Lawrence Sullivan Term Expires: 08/02/04

Elected Member: Joseph P. Mahoney Term Expires: 12/13/05

Appointed Member: Ann Ferris Term Expires: 04/25/06

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board and are then submitted to the PERAC Actuary for verification prior to payment. All expenses incurred by the System must be approved by at least two members of the Board.

The following retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts as follows:

Treasurer - Custodian:)	
Ex officio Member:)	\$1,000,000/\$30,000,000
Elected Member:)	MACRS Policy
Appointed Member:)	
Staff Employee:)	

Lowell Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by **Buck Consultants** as of **January 1, 2001**.

The actuarial liability for active members was	\$152,160,608
The actuarial liability for inactive and retired members was	<u>158,492,420</u>
The total actuarial liability was	310,653,028
System assets as of that date were	<u>182,913,557</u>
The unfunded actuarial liability was	<u>\$127,739,471</u>
The ratio of system's assets to total actuarial liability was	58.9%
As of that date the total covered employee payroll was	\$72,576,500

The normal cost for employees on that date was 8.01% of payroll

The normal cost for the employer was 5.59% of payroll

The principal actuarial assumptions used in the valuation are as follows:

Investment Return: 8.00% per annum
Rate of Salary Increase: Varies based on years of service and group classification

GASB STATEMENT NO. 25, DISCLOSURE INFORMATION AS OF JANUARY 1, 2001

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Cov. Payroll ((b-a)/c)
1/1/2002	\$ 182,913,557	\$ 310,653,028	\$ 127,739,471	58.9%	\$ 72,576,500	176.0%
1/1/2001	\$ 199,137,217	\$ 254,402,658	\$ 55,265,441	78.3%	\$ 64,733,264	85.4%
1/1/2000	\$ 200,716,660	\$ 246,668,379	\$ 45,951,719	81.4%	\$ 66,994,731	68.6%
1/1/1999	\$ 158,066,157	\$ 230,860,131	\$ 72,793,974	68.5%	\$ 60,740,274	119.8%
1/1/1998	\$ 130,569,688	\$ 217,723,238	\$ 87,153,550	60.0%	\$ 56,559,466	154.1%

Lowell Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR YEAR PERIOD ENDING DECEMBER 31, 2002

NOTE 6 - MEMBERSHIP EXHIBIT

Retirement in Past Years	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Superannuation	28	10	29	96	35	20	49	11	43	39
Ordinary Disability	0	1	0	0	0	1	2	0	0	1
Accidental Disability	2	5	5	4	5	8	14	3	7	5
Total Retirements	30	16	34	100	40	29	65	14	50	45
 Total Retirees, Beneficiaries and Survivors	 1,156	 1,141	 1,106	 1,057	 1,099	 1,075	 1,119	 1,055	 1,087	 1,117
 Total Active Members	 1,290	 1,412	 1,493	 1,614	 1,992	 2,011	 2,086	 2,057	 1,946	 2,070
 Pension Payments										
Superannuation	\$8,120,875	\$8,208,867	\$8,233,444	\$8,042,326	\$8,181,541	\$8,092,754	\$8,233,670	\$8,576,651	\$8,999,106	\$9,558,502
Survivor/Beneficiary Payments	819,686	861,060	884,719	992,454	1,125,942	1,092,825	1,107,143	1,229,233	1,258,431	1,303,560
Ordinary Disability	333,693	326,340	333,772	305,549	268,224	286,941	280,430	291,733	302,302	312,850
Accidental Disability	3,356,597	3,521,069	3,532,757	3,618,278	3,691,381	3,833,159	3,925,590	4,105,347	4,548,124	4,591,751
Other	<u>1,668,464</u>	<u>1,689,058</u>	<u>1,701,601</u>	<u>1,873,109</u>	<u>1,811,348</u>	<u>1,791,608</u>	<u>1,740,767</u>	<u>1,763,686</u>	<u>1,748,390</u>	<u>1,857,396</u>
Total Payments for Year	<u>\$14,299,315</u>	<u>\$14,606,394</u>	<u>\$14,686,293</u>	<u>\$14,831,716</u>	<u>\$15,078,436</u>	<u>\$15,097,287</u>	<u>\$15,287,600</u>	<u>\$15,966,650</u>	<u>\$16,856,353</u>	<u>\$17,624,059</u>